



Credit Union Department

* * NEWSLETTER * *

No. 12-02

December 31, 2002

e-mail: info@tcud.state.tx.us

web address: www.tcud.state.tx.us

CHANGE 3, RULES FOR TEXAS CREDIT UNIONS

Enclosed with this Newsletter is Change 3 to update the Rules for Credit Unions. The effective date of this revision is December 8, 2002. In addition, Change 2 to update the Regulatory Bulletins has also been included. Additional copies of the rules or any updates may be purchased from the Texas Credit Union League, P.O. Box 655147, Dallas, Texas 75265.

YEAR-END CALL REPORTS

Call reports and diskettes for the year ending December 31, 2002, will be mailed to each credit union on January 3rd. **Please call Isabel Velasquez at (512) 837-9236 if you have not received your packet.** The call report diskettes must be received in the Department's office or the data transmission files uploaded directly to NCUA via the Internet on or before **January 22, 2003**.

REPORT OF OFFICIALS

This year, credit unions will have a choice of forms to use in meeting the requirements of Section 122.060 of the Finance Code [Certificate of Election]. In an effort to eliminate confusion, a credit union may use either a copy of NCUA's Report of Officials or the Department's Form to report the names and addresses of its officers, directors, and committee members. Both forms were included with the mailing of the call report packets.

NEWSLETTER NOTICE

As required by statute, each agency must obtain an annual confirmation from individuals receiving monthly publications at no charge. Specifically, the law requires that notice be placed in three consecutive issues of the publication, and that anyone desiring to continue to receive the publication must so indicate in writing. In order to simplify the process, we have only included a return form in the newsletter of those persons who did not respond to our previous notices. If a form is enclosed and you desire to continue to receive the Department's Newsletter, please submit the form to this office as soon as possible.

RULE REVIEW

As part of the review required by Section 2001.039, Government Code, the Commission will take up and consider Rules 91.701 through 91.719 at its next meeting. If any credit union has a concern or suggestion regarding any provision of the noted rules, please submit your written comments not later than February 20, 2003 to the Department at the address listed below, or electronically to info@tcud.state.tx.us.

APPLICATIONS APPROVED

Applications approved since November 30, 2002 include:

<u>Credit Union</u>	<u>Changes or Groups Added</u>
Field of Membership Change(s) Approved:	
GTX Credit Union (Houston)	See Newsletter No. 11-02
Merger(s) or Consolidation(s) Approved:	
Top O'Tec Credit Union (Amarillo)	See Newsletter No. 11-02
Terrell Community Credit Union (Terrell)	See Newsletter No. 11-02
Kilgore Ceramics Federal Credit Union (Kilgore)	See Newsletter No. 12-02

APPLICATIONS RECEIVED

The following applications were received and published in the December 26, 2002 issue of the Texas Register:

Field of Membership Expansion(s):

MemberSource Credit Union (Houston) – To permit employees of Men's Wearhouse, Incorporated, who work in or are paid or supervised from, Houston, Texas, to be eligible for membership in the credit union.

Comments or a request for a meeting by any interested party relating to an application must be submitted in writing within 30 days from the date of this publication. Any written comments must provide all information that the interested party wishes the Department to consider in evaluating the application. All information received will be weighed during consideration of the merits of an application. Comments or a request for a meeting should be addressed to the Texas Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699.

Merger(s) or Consolidation(s):

An application was received from **Kilgore Ceramics Federal Credit Union** (Kilgore) seeking approval to merge with **East Texas Professional Credit Union** (Longview) with the latter being the surviving credit union. In accordance with 7 TAC Section 91.104, the commissioner determined that delaying public notice was in the public interest.

IRS FORM 990 –AUTHORIZATION FORM

Also included with the mailing of call report packets was an authorization form to be completed by each credit union and returned to this office by January 22, 2003. Every credit union must certify that the call report information submitted is true and correct and authorize the Department to include the credit union's information in the group return. Credit unions having unrelated business income are individually responsible for filing their own IRS Form 990-T.

SECURITY REVIEW

With the recent amendments to Commission Rule 91.4002, credit unions with transactional web sites are now required to perform a review of the adequacy of the web site's security measures at least once every two years. The credit union must have this review performed regardless of whether the technology platform is operated in-house or by a third-party service provider. If the credit union outsources the platform, it can rely upon testing performed for the service provider to the extent that it satisfies the scope requirements. The scope must cover the adequacy of physical and logical protection against unauthorized access including individual penetration attempts, denial of service, and other forms of electronic access. The reviewer should document the findings and critique the effectiveness of security policies and controls and confirm, with reasonable certainty, that unauthorized data and network access or access attempts will be detected and recorded. During future examinations, the Department will consider the results of the review as well as any subsequent actions by the credit union or service provider to remedy any noted security or control deficiencies.

RELIEF FOR MILITARY MEMBERS

In light of the frequent call-ups of U.S. military personnel and increasing military enlistment activity, the Department would like to remind credit unions of requirements under the Soldiers' and Sailors' Civil Relief Act of 1940. The intent of the law is to allow service members to devote their full attention to defense of this nation, with a minimum of distraction from financial or other legal burdens. (The Act is available on the Internet at <http://www.access.gpo.gov/uscode/>. Select "Title 50A" and "Soldiers' and Sailors Civil Relief Act of 1940.")

PUBLISHING NOTICE OF APPLICATIONS IN THE TEXAS REGISTER

(www.sos.state.tx.us)

In order to meet the submission deadlines for the applicable issues of the *Texas Register*, it is necessary for the Department to establish the following schedule. Because of the *Texas Register* printing schedules, completed applications received after the deadline for the month cannot be published until the following month.

For an Application To be Published	Deadline for Receipt of An Application	Comment Period Will Conclude on
January 2003	Friday, January 10	March 2
February 2003	Friday, February 14	March 30
March 2003	Friday, March 14	April 30
April 2003	Friday, April 11	May 30

HOLIDAY SCHEDULE FOR TCUD

The Department's office will be closed on **January 20, 2003**, in observance of Martin Luther King, Jr. Day.

NEW YEAR WISH

The Credit Union Commission and the staff of the Department would like to extend our best wishes for a New Year of health, happiness, and prosperity.

